

# Arizona Automobile Theft Authority

2003 Annual Report



SINCE 1992

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## *Mission Statement*

*To deter vehicle theft through a statewide cooperative effort by supporting law enforcement activities, vertical prosecution, and public awareness/community education programs.*

# Letter to the Governor

The Honorable Janet Napolitano  
Governor of Arizona  
1700 West Washington  
Phoenix, AZ 85007

Dear Governor Napolitano:

It is with great pleasure that we present the Arizona Automobile Theft Authority's (AATA) Annual Report for the fiscal year ending June 30, 2003.

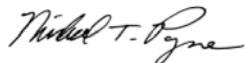
The AATA continues to serve as a unique example of an effective government/insurance industry/consumer partnership. By focusing on cooperative statewide efforts supporting law enforcement activities, vertical prosecution, and public awareness/community education programs, the AATA leads the fight against vehicle theft in the State of Arizona.

Although the statistical vehicle theft information contained in this report reflects calendar year 2002 data, the AATA is pleased to report that many Arizona cities have experienced a reduction in auto thefts for the first three quarters of calendar year 2003. The AATA believes its current initiatives, programs and partnerships are beginning to take hold and have an impact on Arizona's vehicle theft rate.

The continuing vehicle theft problem and growing population in Arizona requires a coordinated statewide effort to develop, implement and sustain successful programs and inter-agency cooperation to combat vehicle theft in the state. Arizona's proximity to Mexico, the declining recovery rate and homeland security concerns mandate employing partnerships on a national and international level to curtail vehicle theft by organized criminal groups and deter exportation of stolen vehicles to finance other criminal activities and international terrorism.

The AATA remains committed to reducing the incidence of vehicle theft in the state with support from the insurance industry, criminal justice agencies, community organizations, and business partners, and looks forward to continued service to the citizens of Arizona.

Respectfully,



Michael T. Payne, CPCU  
Chairman of the Board

# Board of Directors June 30, 2003



**Michael T. Payne, Chairman of the Board**  
Management Planning & Information Manager, State Farm Insurance Companies

Mr. Payne was appointed to the AATA Board of Directors in 1999 and was elected Board Chairman on January 5, 2001. Mr. Payne holds a bachelor's degree from Michigan State University in criminal justice. Mr. Payne began his career with State Farm Insurance as an auto claim representative. He has served as Section Manager for the Special Investigation Unit, Auto Claims Central, and is currently the Management Planning and Information Manager.



**Ralph E. Ogden, Vice Chairman**  
Sheriff, Yuma County Sheriff's Office

Sheriff Ogden was appointed to the AATA Board of Directors in 1997 by the Arizona Sheriff's Association. Sheriff Ogden occupies one of two Sheriff positions on the AATA Board, representing a county with a population of five hundred thousand or less. Sheriff Ogden began his career in law enforcement more than 30 years ago and was elected Yuma County Sheriff in 1993. His experience includes four years in the Marine Corps, Chief Deputy for the Yuma County Sheriff's Office and a graduate of the FBI National Academy.



**Sheriff Joseph Arpaio**  
Sheriff, Maricopa County Sheriff's Office

Sheriff Arpaio was appointed to the AATA Board of Directors in February 2003 by the Arizona Sheriff's Association. Sheriff Arpaio occupies one of two Sheriff positions on the AATA Board, representing a county with a population of five hundred thousand or more. Sheriff Arpaio has been the Sheriff of Maricopa County since 1993 and brings with him more than 42 years of law enforcement experience.



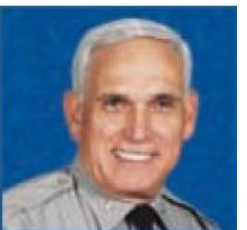
**Dean C. Butler**  
Farmers Insurance Company

Mr. Butler was appointed to the AATA Board of Directors on January 5, 2001. Mr. Butler is the Marketing Support Manager with the Phoenix Service Center and has over 25 years of experience in the insurance industry. Mr. Butler represents one of two insurance industry positions on the AATA Board.



**William J. Ekstrom**  
Mohave County Attorney

Mr. Ekstrom was appointed to the AATA Board of Directors in 1997. He has held the position of Mohave County Attorney since 1979. A third generation Arizonan, Mr. Ekstrom received his bachelor's degree from Northern Arizona University and his jurist doctor degree from Arizona State University. Mr. Ekstrom brings more than 26 years of extensive government experience to the AATA Board.



**Dennis Garrett**  
Director, Department of Public Safety

Colonel Garrett was named Director of the Department of Public Safety by Governor Hull in 2000, the same Year he was appointed to the AATA Board of Directors. Director Garrett has 35 years of experience with the Phoenix Police Department, where he served as Police Chief and has worked in every division and major bureau of the organization. Director Garrett has a bachelor's degree from Northern Arizona University and a master's degree in public administration from Arizona State University.



**Alberto Gutier**  
Public Member

Mr. Gutier has been a member of the AATA Board of Directors since 1994 and occupies one of two public member positions. He served as Director of the Governor's Office of Highway Safety and had been a member of Gov. Jane Dee Hull's cabinet since October 1997. Mr. Gutier brings to the Board 11 years of law enforcement experience with the Maricopa County Sheriff's Office. In addition, he has over 20 years of service at a variety of state agencies and serves on numerous Boards and Commissions.



**Harold L. Hurtt**  
Chief, Phoenix Police Department

Chief Hurtt was appointed to the AATA Board of Directors in 1998 by the Arizona Chiefs' of Police Association and represents a city with a population of one hundred thousand or more. Chief Hurtt has served as Chief of Police for the Phoenix Police Department since April 14, 1998. Chief Hurtt has more than 30 years of law enforcement experience and holds a bachelor's degree in sociology from Arizona State University and a master's degree in organizational management from the University of Phoenix.



**Ellen Poole**  
Public Member

Ms. Poole has been a member of the AATA Board of Directors since 1999 and occupies one of two public member positions. Ms. Poole joined the USAA Insurance Company in October 2002 as Executive Director, Southwest Region Government Liaison. Prior to joining USAA, Ms. Poole was with the Arizona Bankers Association and had served three years as the legislative research analyst for the Arizona State Senate Banking and Insurance Committee. Ms. Poole earned her law degree from George Washington University and holds two bachelor's degrees from Virginia Tech.



**Richard M. Romley**  
Maricopa County Attorney

Mr. Romley has been a member of the AATA Board of Directors since August 2000. Mr. Romley, currently in his fourth elected term as Maricopa County Attorney, first assumed office on January 1, 1989. Mr. Romley is a native Arizonan, born in Tucson. He attended Arizona State University, where he earned a Bachelor of Science degree in Business, and a Juris Doctorate in Law.



**Daniel G. Sharp**  
Chief, Oro Valley Police Department

Chief Sharp was appointed to the AATA Board of Directors in October 2000 by the Arizona Chiefs' of Police Association and represents a city with a population of one hundred thousand or less. Chief Sharp has served as Oro Valley Police Chief since January 2000 and had been with the Tucson Police Department prior to his appointment. Chief Sharp brings over 25 years of law enforcement experience to the AATA Board.



**Stacey K. Stanton**  
Director, Motor Vehicle Division, Arizona Department of Transportation

Ms. Stanton has been a member of the AATA Board of Directors since 1999. Ms. Stanton was appointed to lead the Arizona Department of Transportation's Motor Vehicle Division in December 1999. She has worked with the Motor Vehicle Division for six years, overseeing the division's customer service program in Phoenix and later, heading the division's legislative program and policy unit. Ms. Stanton has a bachelor's degree from Arizona State University.

**Arizona Automobile Theft Authority Staff**

**Mikel Longman**  
Executive Director

**Paul Boelhauf**  
Administrative Services Officer

**Ann Armstrong**  
Public Information Officer

**Arthur Myer**  
Fiscal Services Specialist

**Rares I. Almasan**  
Administrative Assistant

# Executive Summary

## Introduction

The Arizona Automobile Theft Authority (AATA) operates on a fiscal year budgeting cycle from July through June.

All motor vehicle theft statistics included in this report are based on the calendar year ending December 31, 2002 including those statistics cited from the *Crime in the United States*, 2002 Report published by the Federal Bureau of Investigation (FBI) and the *2002 Crime in Arizona* Report published by the Department of Public Safety.

Accordingly, this report contains a combination of data sources reflecting both calendar year 2002 and fiscal year 2003 information. Discrepancies are recognized between the *Crime in the United States Report* and the *Crime in Arizona Report*, due to different reporting requirements. Statistics listed in the *Crime in Arizona Report* do not include crimes reported to Federal or tribal agencies located in Arizona.

The funding mechanism for the AATA is a premiere example of a unique government/business/consumer partnership. The prime beneficiaries, specifically the insurance industry and vehicle owners/insurance consumers totally support the government services from which they benefit. Additionally, all citizens benefit from the services provided by this Agency, since vehicle theft is associated with many other criminal activities.

## Summary

The FBI's 2002 Uniform Crime Report (UCR) indicates there were over 1.2 million motor vehicle thefts in the United States in 2002, with an estimated value of approximately \$8.4 billion dollars. In Arizona, there were 57,668 vehicles reported stolen during 2002, which demonstrates a 10.5% increase in the theft rate from 2001.



## ARIZONA CRIME CLOCK 2002

one  
MAJOR CRIME  
every 1 min. 32 sec.

one  
VIOLENT CRIME  
every 17 min. 32  
sec.

one  
PROPERTY CRIME  
every 1 min. 40 sec.

one  
MURDER  
every 22 hrs. 43 min.  
one  
FORCIBLE RAPE  
every 5 hrs. 31 min.  
one  
ROBBERY  
every 1 min. 9 min.  
one  
AGGRAVATED  
ASSAULT  
every 26 min. 19 sec.

one  
BURGLARY  
every 9 min. 05 sec.  
one  
LARCENY — THEFT  
every 2 min. 40 sec.  
one  
MOTOR VEHICLE  
THEFT  
every 9 min. 16 sec.  
one  
ARSON  
every 4 hrs. 57 min.

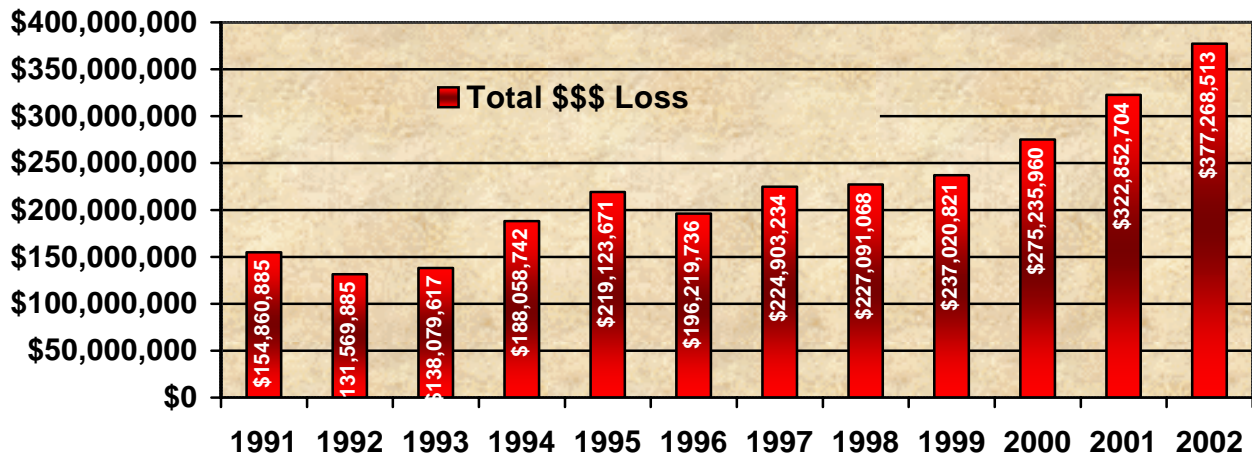
The crime clock should be viewed with care. Being the most aggregate representation of UCR data, it is designed to convey the annual reported crime experience by showing the relative frequency of occurrence of the Offenses. This mode of display should not be taken to imply a regularity in the commission of the Offenses; rather, it represents the annual ration of crime to affixed time intervals.

Source: Arizona Department of Public Safety *Crime in Arizona 2002 Report*

The FBI's UCR reports that collectively, the Western States recorded the largest increase at 10.8% for motor vehicle thefts. Additionally, the number of motor vehicle thefts reported in the United States in 2002 increased by 1.4%, which demonstrates an increase for the second

straight year. Except for robbery, all Part I crimes in Arizona demonstrated an increase in 2002. Historically, crime has been cyclical and closely associated with economic conditions. Unfortunately, property crimes, including vehicle theft, are most affected.

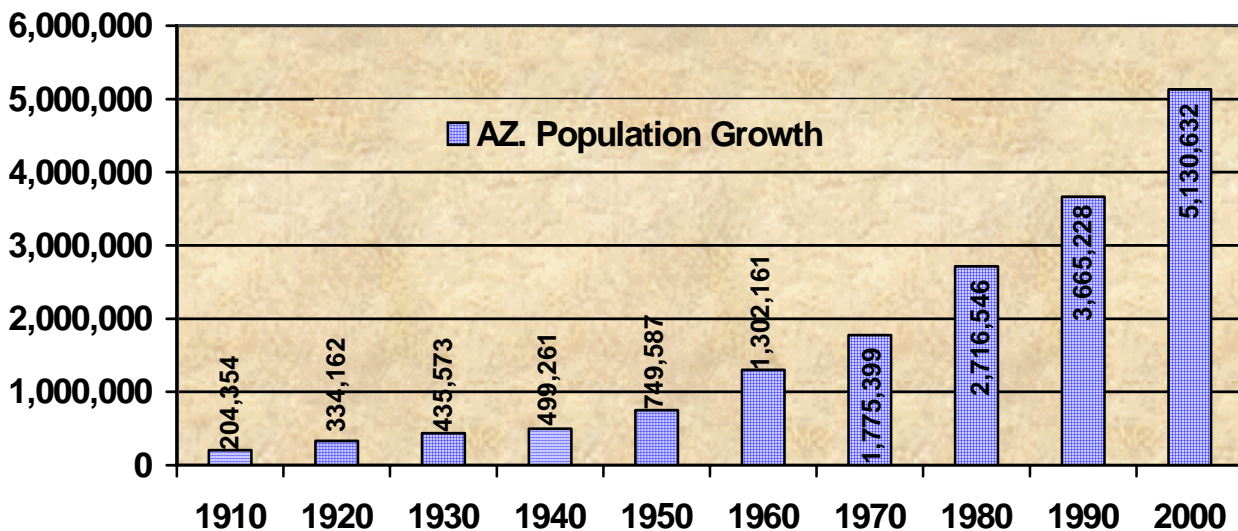
## Arizona Economic Loss: 1991-2002



The UCR also reports that the nation's most heavily populated municipalities and cities with populations over 250,000 experienced the highest rate of motor vehicle theft in 2002. Accordingly, Arizona has become one of the fastest growing states in the nation and has experienced a dramatic population increase over the past several years. The most current Census data indicates

Arizona's population is 5,456,453, which reflects an increase of over one million people since 1995. Arizona's growth rate, coupled with a national economic decline, and our proximity to Mexico, remain primary factors in the increased rate of criminal activity.

## Arizona Population: 1910-2000



Arizona's current estimated population = 5,456,453  
 Note: Source — U.S. Census Bureau

# Summary continued


Arizona ranks fourth (4<sup>th</sup>) in the nation in actual number of vehicles stolen, and remains second in the country for vehicle thefts per capita, behind Washington, DC. Other states posted significantly higher percentage increases in 2002, as demonstrated on the chart below.



## Motor Vehicle Theft by State

Comparison 2001/2002

Ranked by % Change from Calendar Year 2001 to 2002

RANK	STATE	TOTAL # in 2002	TOTAL # in 2001	% CHANGE	*RATE/100,000
1	Hawaii	9,910	6,743	47.0%	796.0
2	District of Columbia	9,599	7,670	25.1%	1681.4
3	West Virginia	3,898	3,216	21.2%	216.3
4	Nevada	17,486	14,702	18.9%	804.5
5	Utah	7,722	6,513	18.6%	333.4
6	South Carolina	16,867	14,760	14.3%	410.7
7	Oregon	16,524	14,842	11.3%	469.2
8	<b>Arizona</b> 	<b>57,668</b>	<b>52,203</b>	<b>10.5%</b>	<b>1056.9</b>
9	Colorado	23,183	20,994	10.4%	514.4
10	Alabama	13,890	12,619	10.1%	309.6
11	Idaho	2,627	2,389	10.0%	195.9
12	Delaware	3,057	2,779	10.0%	378.6
13	California	222,364	204,033	9.0%	633.2
14	Wyoming	743	696	6.8%	149.0
15	Maryland	34,020	32,025	6.2%	623.3
16	Iowa	5,823	5,505	5.8%	198.3
17	New Mexico	7,437	7,137	4.2%	400.9
18	Washington	40,493	39,077	3.6%	667.2
19	Oklahoma	12,772	12,569	1.6%	365.6
20	Vermont	769	758	1.5%	124.7
21	Ohio	42,767	42,229	1.3%	374.5
22	Georgia	38,036	37,589	1.2%	444.3
23	North Carolina	24,866	24,647	0.9%	298.9
24	Mississippi	9,523	9,473	0.5%	331.6
25	South Dakota	819	815	0.5%	107.6
26	Texas	102,680	102,667	0.0%	471.4
27	Missouri	27,878	28,014	-0.5%	491.5
28	Nebraska	6,409	6,490	-1.2%	370.6
29	Florida	88,516	89,917	-1.6%	529.6
30	Virginia	18,478	18,842	-1.9%	253.3
31	New York	47,366	48,287	-1.9%	247.2
32	Montana	1,783	1,821	-2.1%	196.1
33	Rhode Island	4,876	5,043	-3.3%	410.7
34	Massachusetts	26,588	27,828	-4.5%	413.6
35	New Jersey	35,739	37,708	-5.2%	416.0
36	Alaska	2,471	2,618	-5.6%	383.8
37	Indiana	20,287	21,499	-5.6%	329.4
38	Tennessee	26,541	28,272	-6.1%	457.8
39	North Dakota	1,018	1,086	-6.3%	160.5
40	Kentucky	8,750	9,344	-6.4%	213.8
41	Connecticut	11,572	12,378	-6.5%	334.4
42	Arkansas	6,813	7,320	-6.9%	251.4
43	Louisiana	20,186	21,687	-6.9%	450.3
44	Michigan	49,723	53,607	-7.2%	494.7
45	Minnesota	13,842	15,031	-7.9%	275.8
46	Illinois	44,857	48,784	-8.0%	356.0
47	Pennsylvania	32,817	35,713	-8.1%	266.0
48	Wisconsin	13,458	14,722	-8.6%	247.3
49	New Hampshire	1,944	2,140	-9.2%	152.5
50	Kansas	7,212	7,985	-9.7%	265.5
51	Maine	1,429	1,671	-14.5%	110.4
	<b>United States</b>	<b>1,246,096</b>	<b>1,228,391</b>	<b>1.4%</b>	<b>432.1</b>

\*Motor Vehicle Theft Rate Per 100,000 Inhabitants

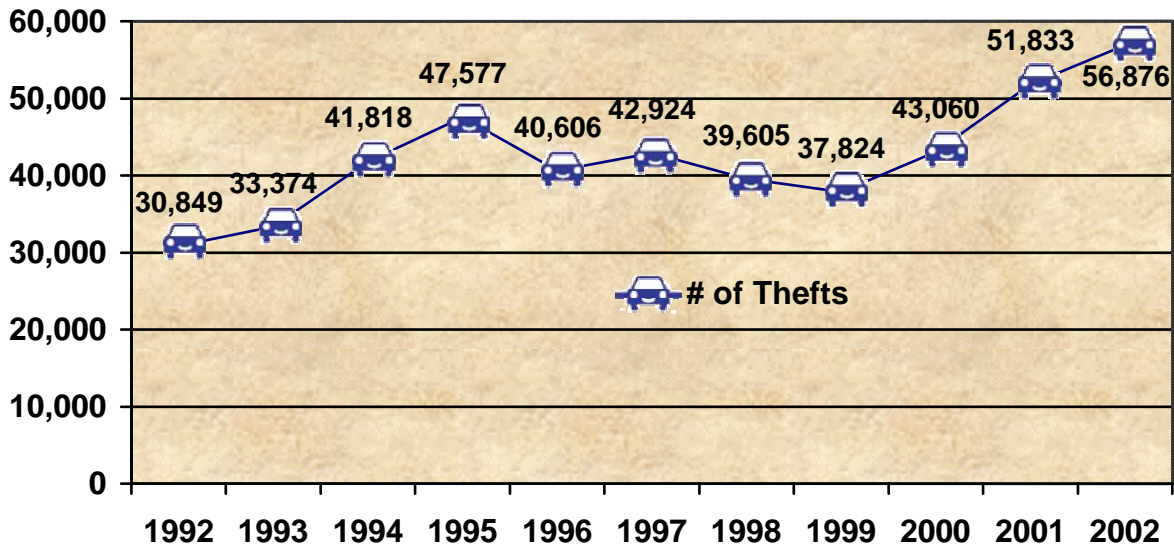
Information obtained from the U.S. Department of Justice Federal Bureau of Investigation "Crime in the United States" 2002 Uniform Crime Report

As of August 31, 2002, the Motor Vehicle Division (MVD) reported that there were 5,209,359 vehicles registered in Arizona. With 57,668 vehicles reported stolen in 2002, this equates to 1.1% of the total number of vehicles registered in Arizona.

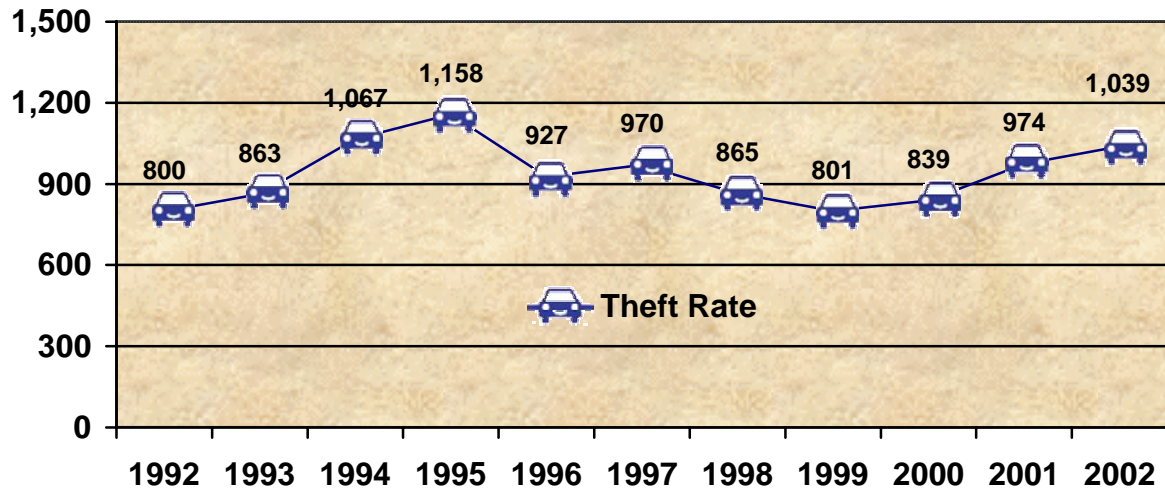
Vehicle theft continues to be a challenge for Arizona, and the current statistics reinforce the importance of a coordinated effort to effectively deter, investigate, prosecute, and educate the public on vehicle theft.

## Arizona Vehicle Theft Trends

### \*Total Vehicle Thefts: 1992-2002



### \*Vehicle Thefts Rates: 1992-2002



\*Note: Numbers/values used in the above graphs reflect information contained in the annual *Crime in Arizona* reports, published by the Arizona Department of Public Safety (AZDPS).

# Summary continued

The AATA is governed by a 12-member Board of Directors appointed by the Governor and other organizations. Members of the AATA Board include two police chiefs; two sheriffs; two county attorneys, the Directors of the Department of Public Safety, and Motor Vehicle Division; two employees representing the insurance industry; and two members of the general public. The AATA currently has a five-person staff responsible for executing the Agency's strategic plan.

Each year the AATA Board of Directors awards grants to law enforcement agencies and county attorney offices throughout the state. The grant programs work to prevent vehicle theft, apprehend thieves, and convict auto theft criminals.

In fiscal year 2003, the AATA continued to focus the majority of its grant allocation to the Arizona Vehicle Theft Task Force (AVTTF) because of its continued aggressive enforcement/investigative efforts and impressive stolen vehicle recovery results. During the past two years, the AVTTF was involved in a major international criminal investigation dealing with vehicle theft, insurance fraud, money laundering and other illicit activities.

During fiscal year 2003, the AATA also expanded its grant funding allocations towards local law enforcement activities, professional training, prosecution and public awareness programs. The AATA issued 32 grants of more than \$830,000 to criminal justice agencies throughout Arizona as part of the Law Enforcement, Professional Training, Vertical Prosecution and Public Awareness Programs.

The AATA also hosted its first Summit on Vehicle Theft on February 7, 2003 in Phoenix. The one-day Summit was attended by approximately 150 representatives from 35 different criminal justice agencies and insurance companies throughout Arizona. Also in attendance were out of state guests from Colorado and Sonora, Mexico. The Summit included an AATA Board of Directors meeting, presentations by several grant agencies on best practice approaches to vehicle theft prevention, an awards luncheon, and an AATA 2003/2004 grant program workshop. Several exhibitors attended to display their products and distribute product information to Summit attendees.

On March 7, 2003, the AATA re-located to a State office building at 1400 W. Washington Street. This move provides a significant cost savings and brings the Agency into the Capitol Mall area, which is closer to essential state agencies and services.

In January 2003, the AATA launched a partnership-mailing project with the Motor Vehicle Division, which includes sending vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailing to vehicle owners in Arizona. From January - June 2003, the AATA received back over 14,000 Watch Your Car enrollments as a result of this program.

In October 2003, the AATA mailed out 1,000 Customer Satisfaction surveys to a random sampling of current Watch Your Car members statewide. The AATA received 542 completed surveys (54% return rate) and the requested responses have been tabulated.

In general, the completed surveys have served as an effective tool to measure awareness and effectiveness of the AATA and its Watch Your Car program. Additional (optional) comments have also provided useful information about what additional steps the public is taking to prevent vehicle theft. (See Figure 10 and Figure 11)

An overwhelming 67% of the respondents enrolled in the Watch Your Car program via the MVD mailer piece they were sent with their registration renewal tag. Another 16% enrolled at a police department/AATA event in the community. The AATA was impressed to learn that nearly 9% of the respondents enrolled via the AATA website by completing an on-line application form. This method of enrollment will continue to be actively promoted by the AATA as the most efficient way to enroll in the program. (See Figure 1)

Over 77% of the respondents have been enrolled in the Watch Your Car program for less than one year. Approximately 19% had been enrolled 1-2 years with another 2% 3-4 years. A handful (less than 1%) of respondents have been enrolled 5 years. (See Figure 2)

Over 60% of the respondents learned of the Watch Your Car program by the Motor Vehicle Division (MVD) partnership mailing, which launched in January 2003. This information directly correlates to the 77% of respondents that have been enrolled in the program for less than one year. An additional 11% learned of the program from either a police agency or AATA presentation/special event. The remaining respondents learned of the program from a Blockwatch or neighborhood meeting or advertising message. (See Figure 3)

Most respondents (over 94%) did not request assistance at the time they enrolled in the program. This may be an indication that the Watch Your Car enrollment form is easy to follow and does not require any further clarification from AATA staff. (See Figure 4)

Nearly every respondent (over 99%) either strongly agreed or agreed with the statement that overall they are satisfied with the Watch Your Car program. (See Figure 5)

Every respondent (100%) either strongly agreed or agreed with the statement that overall AATA staff was readily available to assist them. (See Figure 6)

Nearly 92% of the respondents indicated they had not attended an AATA or other theft prevention event, with

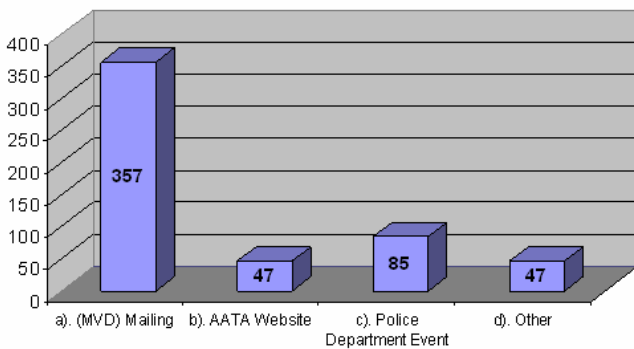
over 8% indicating they had. (See Figure 7)

Over 12% of the respondents have had a vehicle stolen in the State of Arizona. The remaining 88% indicated they had not. (See Figure 8)

Regarding demographics, nearly 65% of the respondents were age 60 and over. Roughly 30% were between 41-59 years of age. Nearly 5% of the respondents were age 26-40, and less than 1% were age 18-25. (See Figure 9)

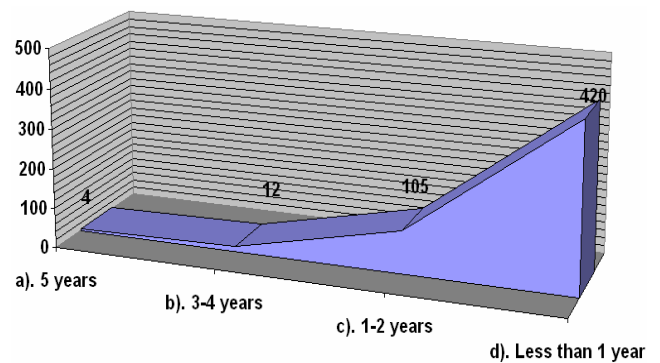
The AATA appreciates the members that took the time to complete the surveys. The AATA values the feedback and comments received and looks forward to enhancing the Watch Your Car program as well as improving our overall (external) customer satisfaction rate.

**How did you enroll in the Watch Your Car program?**



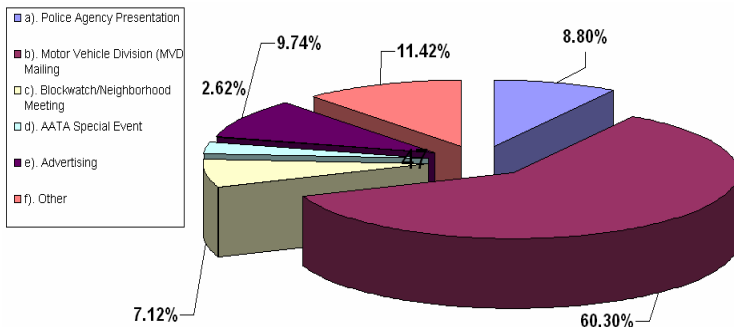
**Figure 1**

**How long have you been enrolled in the Watch Your Car Program?**



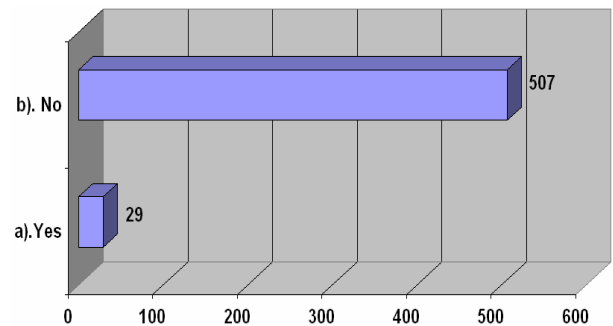
**Figure 2**

**How did you hear about the Watch Your Car Program?**



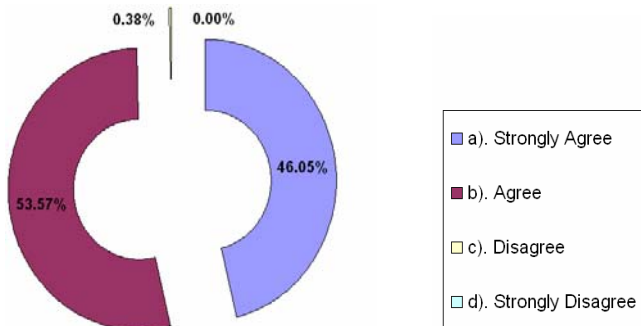
**Figure 3**

**Did you request assistance at the time you enrolled in the WYC program?**



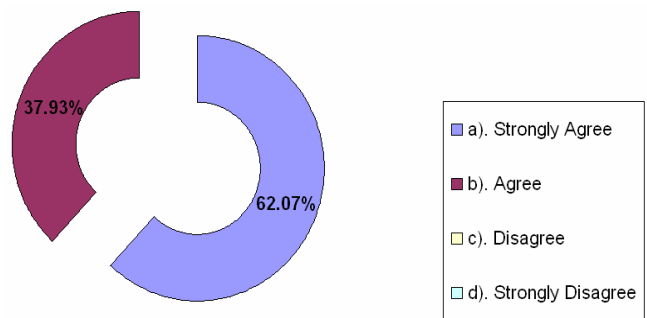
**Figure 4**

**Are you satisfied with the Watch Your Car program?**



**Figure 5**

**Was staff readily available to assist you?**



**Figure 6**

Have you attend an AATA or other theft prevention event?

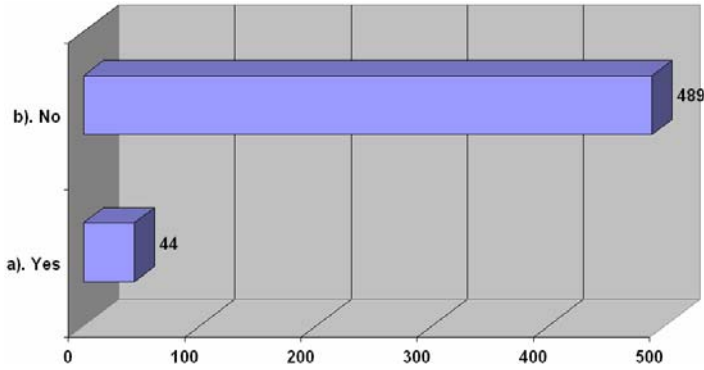


Figure 7

Have you ever had a vehicle stolen in the state of Arizona?

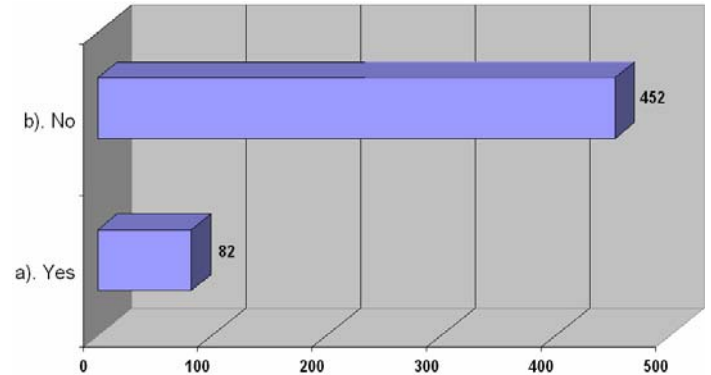


Figure 8

What is your age range?

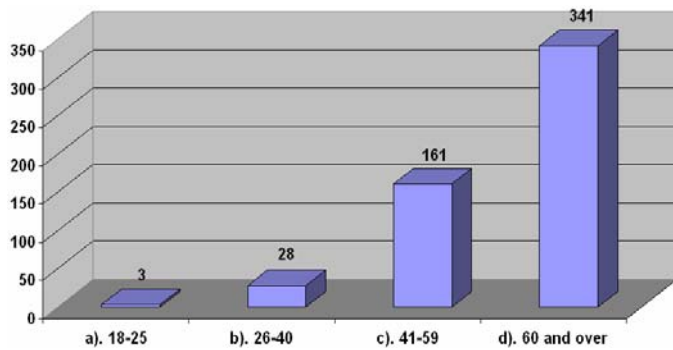


Figure 9

What other steps have you taken to protect your vehicle from theft?

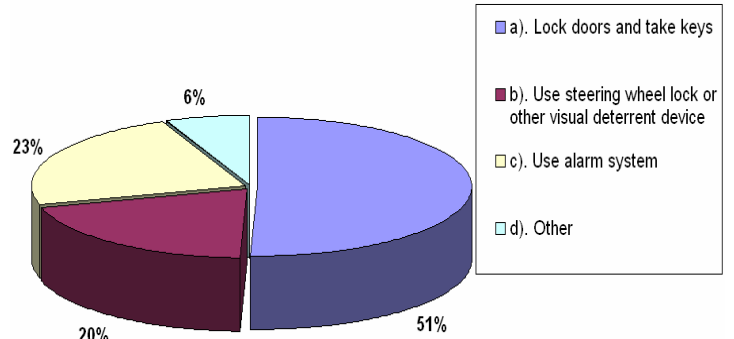


Figure 10

Being a member of the WYC program has encouraged you to take extra precautions in protecting your vehicle?

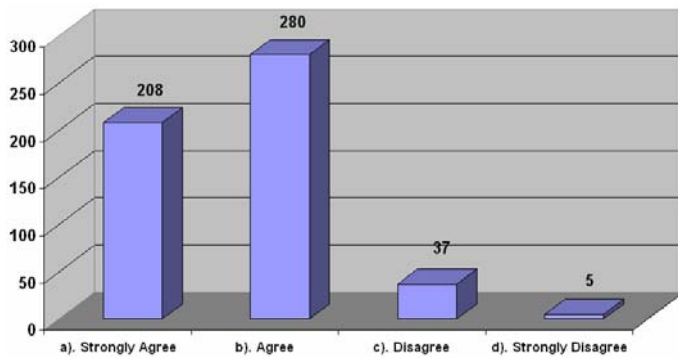


Figure 11

Percent Responding

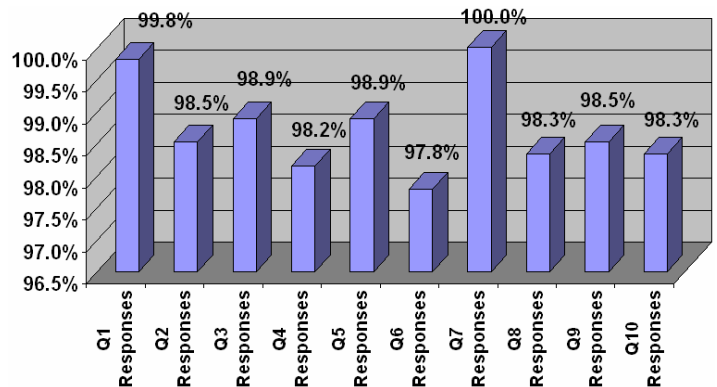


Figure 12

# Summary continued

## Problem Assessment

Vehicles are stolen for a variety of reasons. They may be stolen simply as a means of transportation. Criminals often steal vehicles in order to facilitate other crimes, such as armed robberies, kidnappings, drive-by shootings, smuggling activities and so forth. Professional auto thieves steal vehicles for economic benefit. They operate “chop shops,” where vehicles are stripped and component parts are sold to unsuspecting buyers, or unscrupulous auto repair shops. They also attempt to conceal the identity of stolen vehicles by “VIN-switching” with wrecked, or salvaged vehicles and then sell them to unsuspecting

buyers. The “VIN” is the vehicle identification number and is unique to only one vehicle.

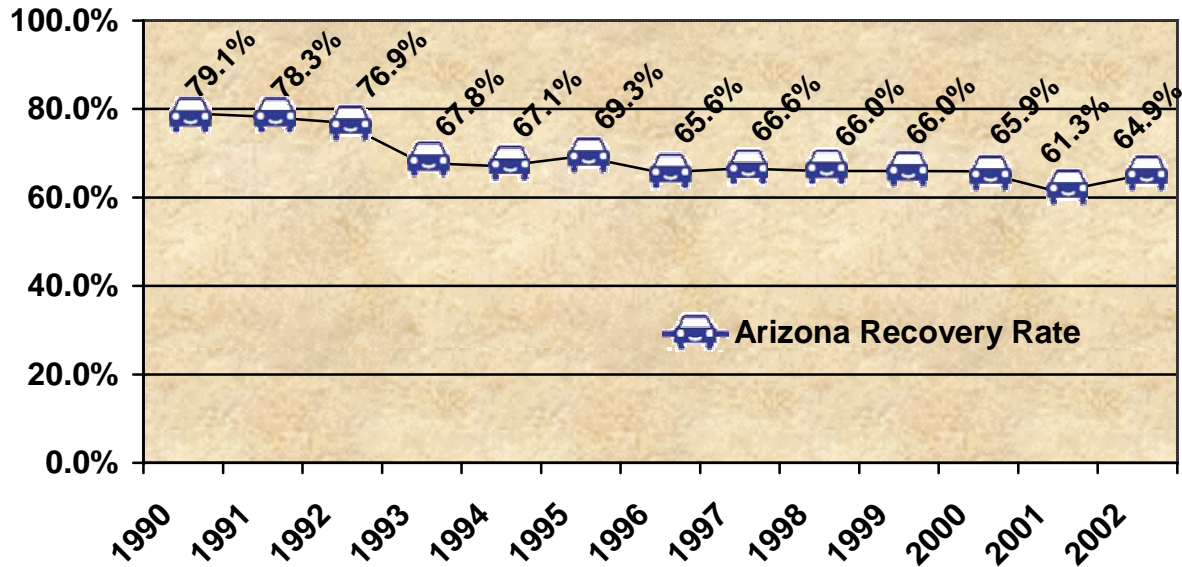
Vehicles are also stolen and smuggled out of the country. Stolen vehicles from the U.S. and other affluent countries end up in developing countries in Asia, Eastern Europe, the Middle East, Mexico, Central and South America. The continuing decline in the recovery rate of stolen vehicles indicates greater organized criminal activity. Additionally, the international intelligence community (Interpol) has identified vehicle theft and related criminal activity, including insurance fraud, as a primary illicit fund-raising source supporting international terrorism.

## INTERNATIONAL MOTOR VEHICLE THEFT STATISTICS FOR 2000\*

	<b>1. United States</b>	<b>1,165,560</b>		<b>11. Poland</b>	<b>68,062</b>
	<b>2. United Kingdom</b>	<b>411,730</b>		<b>12. Sweden</b>	<b>63,185</b>
	<b>3. France</b>	<b>302,626</b>		<b>13. Malaysia</b>	<b>56,879</b>
	<b>4. Italy</b>	<b>243,890</b>		<b>14. Japan</b>	<b>56,205</b>
	<b>5. Canada</b>	<b>160,268</b>		<b>15. Russia</b>	<b>34,958</b>
	<b>6. Mexico</b>	<b>158,233</b>		<b>16. Argentina</b>	<b>33,410</b>
	<b>7. Australia</b>	<b>139,094</b>		<b>17. Denmark</b>	<b>32,203</b>
	<b>8. Spain</b>	<b>132,598</b>		<b>18. Columbia</b>	<b>33,135</b>
	<b>9. Germany</b>	<b>83,063</b>		<b>19. Finland</b>	<b>26,391</b>
	<b>10. Switzerland</b>	<b>69,380</b>		<b>20. Venezuela</b>	<b>24,403</b>

\*Reported to INTERPOL

## Arizona Vehicle Theft Trends Recovery Rate: 1990 - 2002



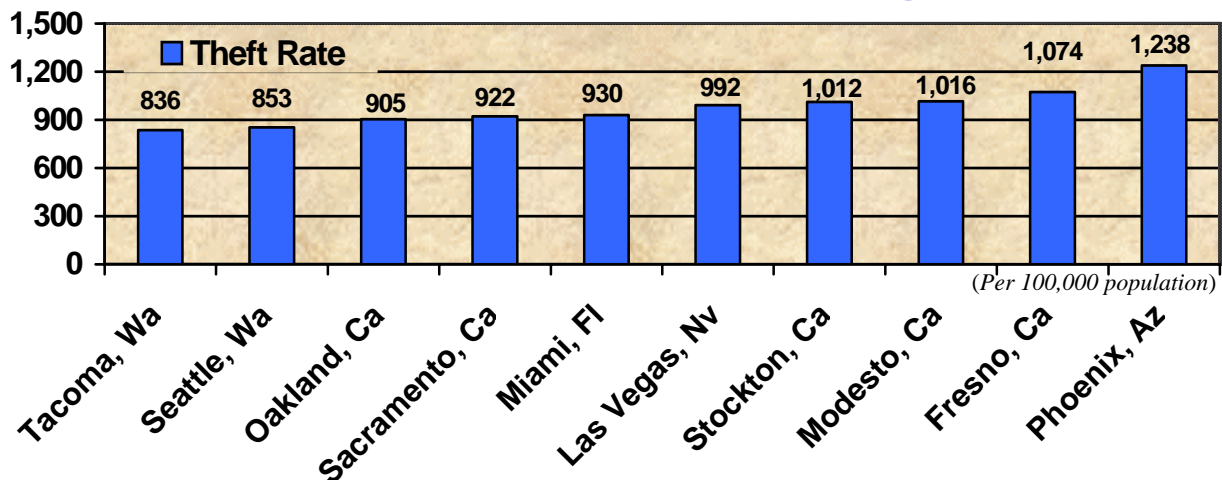
There are a number of reasons that contribute to the vehicle theft problem in Arizona. Arizona has experienced a dramatic population increase over the past 20 to 25 years. There is a rather transient nature of our population, with many people living in multi-family housing units, such as apartments, condominiums and so forth. In these types of residential areas vehicles are at greater risk to be stolen. Due to the dry, moderate climate in Arizona our vehicles tend to maintain higher value, than in other areas of the Nation.

Probably the greatest influence on Arizona's vehicle theft problem is due to the proximity with Mexico. Research indicates that the highest motor vehicle theft vicinities are major metropolitan statistical areas (MSA's), near seaports or

international borders. In 2002, except for Miami, Florida, all of the leading MSA's vehicle theft rates were in the western United States. Five of the top ten were in California. Fortunately, Tucson dropped from the 2001 top ten list where they ranked 6<sup>th</sup> compared to 13<sup>th</sup> during 2002.

There are seven official ports-of-entry along the 354-mile Arizona-Mexico border and major California seaports are less than eight hours away. One of the biggest problems is that most vehicle thefts occur at night and it is typically hours later that the victim discovers that their vehicle is gone. A stolen vehicle can be stripped for parts, used to facilitate other crimes, or smuggled into Mexico before the owner realizes that it is missing.

## National Vehicle Theft Trends Vehicle Theft Rates 2002: Leading MSA's\*



Note: Numbers/values used in the above graphs reflect information contained in the 2002 Uniform Crime Report, published by the U.S. Department of Justice (FBI).

\*MSA's – Metropolitan Statistical Areas (encompass multiple jurisdictions).

# Initiatives

Each of the three vital components of the AATA – public awareness and community education, law enforcement activities, and vertical prosecution all work together to combat vehicle theft throughout the State of Arizona.

## Public Awareness and Education

The AATA's public awareness initiatives during fiscal year 2003 focused on strengthening our partnerships and collaborative efforts with community organizations, businesses, as well as criminal justice agencies throughout the state.

During fiscal year 2003, the AATA awarded close to \$243,000 in grant funds to eighteen (18) criminal justice agencies to conduct public awareness activities on vehicle theft prevention while also promoting the Watch Your Car Program, one of several elements of the "layered approach" to protection the AATA advocates. These grant agencies are required to submit quarterly performance reports to the AATA on their public awareness and community education efforts. During fiscal year 2003, these agencies participated in 495 public awareness events and meetings, distributed nearly 10,000 steering wheel locks, VIN etched over 2,000 vehicles, and conducted on-going law enforcement personnel training within their agencies.

In addition, media releases were distributed regularly to encourage consistent coverage of the AATA's efforts, current crime trends and statistics, and consumer protection topics. As a result of these on-going press releases and media relations, the AATA participated in several newspaper television, and radio interviews that generated over 17 million media impressions throughout the state.

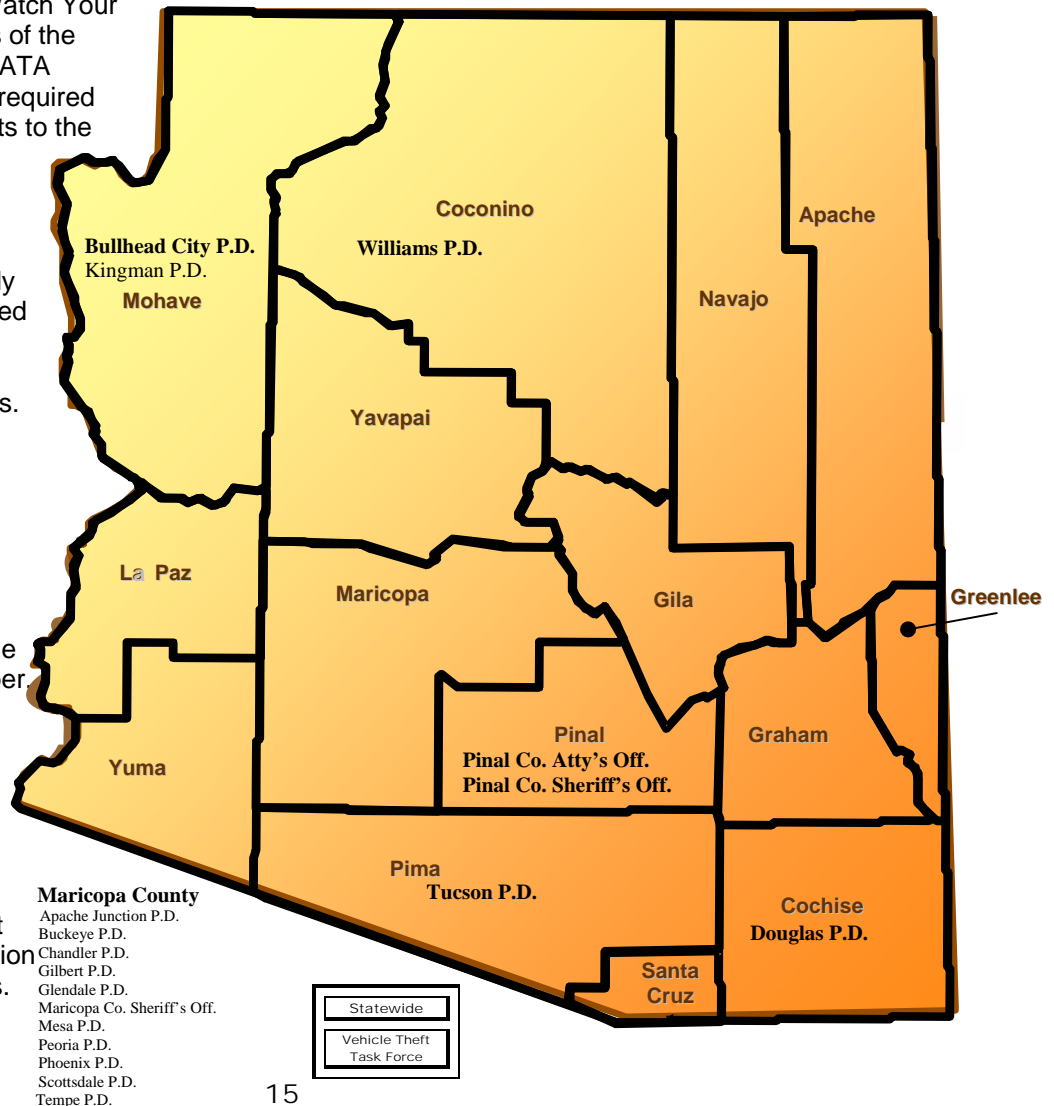
In FY 2003, the AATA continued its partnerships with the Motor Vehicle Division Service Centers, AAA Arizona Travel Offices, and Apartment Community Rental Offices for distribution of Watch Your Car program brochures. In addition, the AATA's partnership mailing project with the Motor Vehicle Division was fully implemented.

This partnership mailing entails sending vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailing to vehicle owners in Arizona.

The AATA has also participated in greater outreach to the Hispanic community with the creation and printing of Spanish Watch Your Car brochures and literature, and increased media relations with local Spanish newspapers, other publications, radio and television.

The AATA's web site at [www.azwatchyourcar.com](http://www.azwatchyourcar.com) continues to be updated and enhanced for greater public accessibility and averages approximately 150 hits per day. The site provides information on the AATA, current auto theft statistics, theft prevention tips, current community events, posting of all grant program application procedures and requirements, as well as information for the insurance industry on the semi-annual insurance assessment and

### AATA 2003 Public Awareness Grant Recipients



numerous relevant links. For the public's convenience, an on-line Watch Your Car application form is available for easy enrollment in the program. The AATA's website is continually updated to contain the most current motor vehicle theft related information and upcoming special events.



In September 2002, the AATA purchased a Watch Your Car van through a grant received from the United States Department of Justice – Bureau of Justice Assistance, which has been displayed at numerous community events, safety fairs, and promotional opportunities throughout Arizona. This fiscal year, the van has been utilized by Apache Junction, Chandler, Glendale, Maricopa County Sheriff's Office, Mesa,



Event participants attend an Allstate/Phoenix Police Department/AATA VIN etching event at Metro Center Mall in May 2003.



AATA Promotional Items

Phoenix, Prescott Valley, Scottsdale, Tempe, Tucson, and Yuma Police Departments. The van is complete with exterior advertising graphics and theft prevention messages to be used to promote vehicle theft prevention and the AATA's free Watch Your Car program. The van is also equipped with several theft deterrent devices to educate the public on the various choices available for theft prevention.

In fiscal year 2003, the AATA launched its VIN (Vehicle Identification Number) Etching Program. VIN Etching is the process of etching the vehicle's 17 digit (in most cases) VIN number on the vehicle's window glass and is an effective visual deterrent against auto theft.

With the purchase of the necessary equipment, the Agency began hosting and co-hosting free VIN etching events throughout the state in conjunction with our criminal justice partners. In fiscal year 2003, it is estimated over 3,000 vehicles received VIN etching utilizing the AATA's equipment.

The AATA continues to participate and promote grass roots public awareness campaigns targeting communities throughout the state. The AATA participated in numerous community events featuring vehicle theft prevention information, Watch Your Car program enrollment and free VIN etching. The following are examples of these types of events the AATA participated in during fiscal year 2003:

- [State of Arizona Employee Safety Fairs](#)
- [Neighborhood Safety Fairs and Blockwatch Meetings](#)
- [Law Enforcement Sponsored Safety Fairs](#)
- [Arizona State Fair – Public Safety Days](#)
- [Blue Cross Blue Shield Employee Health and Safety Fair](#)
- [Discover Card Employee Safety Fair featuring free VIN Etching](#)
- [Shopping Mall Crime Prevention Events](#)
- [Allstate Insurance Auto Theft Fairs with Free VIN Etching](#)
- [Getting Arizona Involved in Neighborhoods \(GAIN\) Events](#)
- [State University and Community College Events](#)
- [Senior Center and Retirement Community Presentations](#)
- [OASIS Classes](#)
- [AARP's 55 Alive Driver's Education Classes and Town Hall Meetings](#)
- [Civic Group Presentations](#)

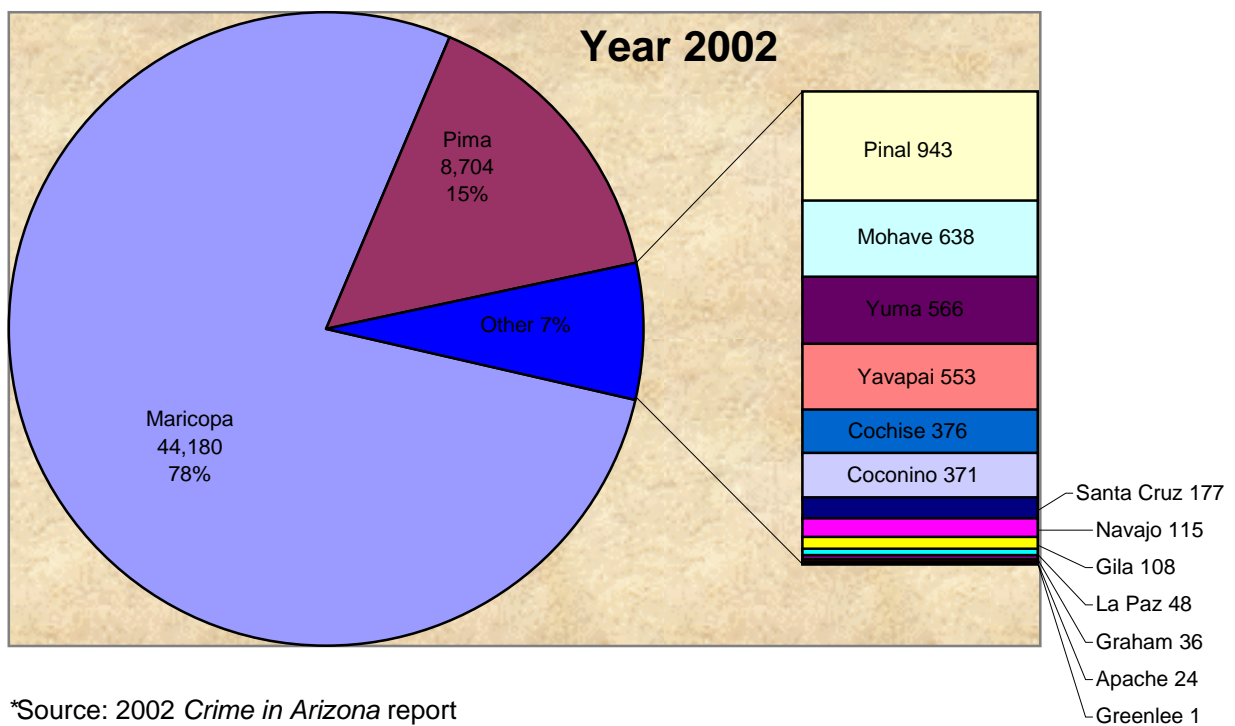
# Initiatives continued

## Vertical Prosecution

The Arizona Automobile Theft Authority has identified vertical prosecution as a vital component of a comprehensive vehicle theft reduction strategy for the State of Arizona. Vertical prosecution refers to the concept of utilizing dedicated, specially trained deputy county attorneys to address all phases of the criminal justice process regarding vehicle theft, and associated crimes. Vertical prosecution has been highly successful in dealing with other criminal activities such as, homicide, narcotics, organized crime, sexual assault and crimes against children.

A review of performance evaluations, and information obtained from law enforcement personnel indicates a significant improvement in the prosecution of vehicle theft suspects, particularly those identified as career criminals. The AATA has received favorable support from the county attorneys, and law enforcement executives to continue and expand this program. The AATA provides funding to the county attorneys in those counties with the highest vehicle theft rates, and/or border counties, which encounter a significant number of suspects in stolen vehicles from other areas.

### \*Arizona Vehicle Thefts By County



\*Source: 2002 *Crime in Arizona* report

The Vertical Prosecution program began in FY 2002 with 3 full time prosecutors in Maricopa, Pima and Pinal Counties. In FY 2003, the program expanded to include part-time prosecutors in Cochise, Mohave and Santa Cruz counties. In FY 2004, the prosecutors were upgraded from 25% FTE positions to 50%.

The results of the Vertical Prosecution program over the last two years are as follows:

	<u>2002</u>	<u>2003</u>
Number of prosecutors (FTE's & part-time)	3	8
Number of participating counties	3	6
Number of vehicle theft cases filed	304	588
Number of convictions	221	319
Percent of convictions to cases closed	98%	94%
Amount of restitution order (in thousands)	747.2	818.2

## Law Enforcement Grants

For the second consecutive year, the Arizona Auto Theft Authority awarded grants to law enforcement agencies throughout the state to promote more efficient and effective law enforcement activities in vehicle theft investigation, enforcement and prevention within their jurisdiction. Law enforcement agencies in the State of Arizona are notified of the availability and purpose of grant funds and are eligible to submit applications for grants, provided they comply with the terms and conditions of the grant. Awards are based on the evaluation of the grant proposal by the AATA staff and subcommittee of the AATA Board, with final approval given by the full Board of Directors. Grants approved in the current fiscal year are funded on July 1 for the following fiscal year.

In April 2003, the AATA Board awarded \$209,530 in Law Enforcement Grants to 14 agencies. The awards included \$125,000 to 8 law enforcement agencies for bait vehicle systems and \$34,000 in overtime funds for vehicle theft investigations for six (6) agencies.

## Professional Training Grants

The Professional Training Grants are awarded to law enforcement and prosecutorial agencies to promote

professional training and development of its law enforcement officers or prosecutors. Criminal justice agencies within the State of Arizona are notified of the availability and purpose of grant funds and are eligible to submit applications for grants provided they comply with the terms and conditions of the grant. Awards are based on the evaluation of the training requested as well as the impact the training will have on the statewide effort to combat vehicle theft.

The AATA staff and subcommittee of the AATA Board evaluate the requests, with final approval given by the full Board of Directors. Both tuition and travel expenses are considered. The amounts of these grants may vary in future years depending on the location and availability of training opportunities.

In the fiscal year ending 2003, the AATA Board awarded 25 training grants totaling \$22,258 to 9 law enforcement agencies and 6 county attorney offices participating in the AATA's Vertical Prosecution program.

## Arizona Vehicle Theft Task Force

The Arizona Vehicle Theft Task Force (AVTTF) was established to coordinate a statewide law enforcement effort to combat vehicle theft. The mission of the Task Force is to reduce vehicle theft in the State of Arizona by deterring criminal activity through proactive enforcement and investigation.

The Task Force serves as a statewide resource for the investigation of property crimes involving vehicles, related components, and insurance fraud. The Task Force also provides technical expertise and training as well as investigative support to law enforcement agencies targeting vehicle theft. The Task Force is comprised of local and state law enforcement agencies, along with other entities participating in concerted efforts to identify, apprehend and prosecute individuals and criminal organizations that profit from the theft of motor vehicles, related criminal activity and insurance fraud.

The AVTTF is administered by the Department of Public Safety through a grant from the AATA. The Task Force commenced limited operation in 1997, with two enforcement squads in Maricopa County and one in Pima County.

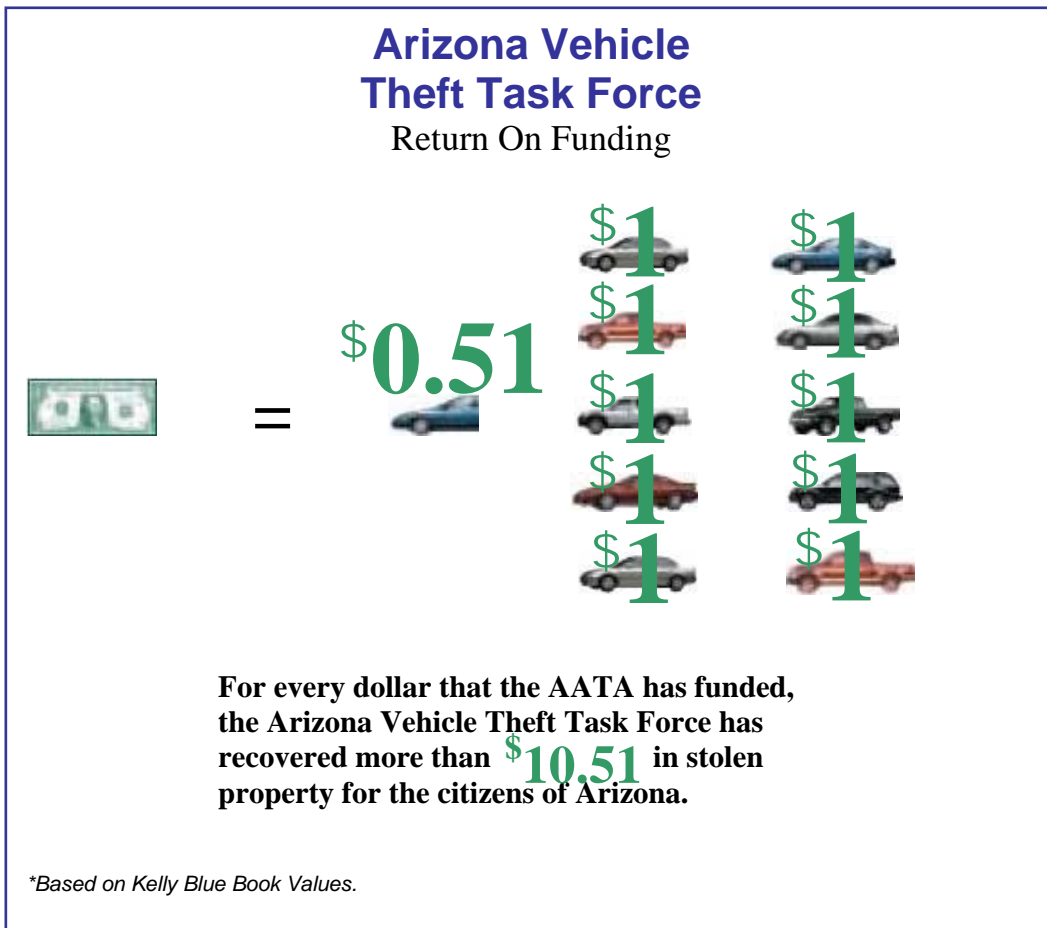
Currently, the AVTTF is represented by 21 agencies, with personnel in Cochise, Maricopa, Mohave, Pima, Pinal, Santa Cruz, Yavapai, and Yuma Counties. Task Force personnel routinely respond to requests for assistance in other Arizona counties as well.

The Task Force, operational for only six years, is already recognized as one of the premier units of its kind in the nation. The AVTTF was awarded the 1999 and 2002 Vehicle Theft Award of Merit by the IACP (International Association of Chiefs of Police) and the National Insurance Crime Bureau (NICB) for their outstanding efforts to reduce vehicle theft. In addition, they received the 2002 Vehicle Theft Award of Merit by the IAATI (International Association of Auto Theft Investigators) at their annual conference held in Los Angeles in August 2003. The Task Force received this prestigious award for their efforts with Operation Wounded Jaguar, a two-year in-depth investigation into a criminal enterprise involved in auto theft, insurance fraud, VIN switching, money laundering, public corruption, and numerous other crimes. Most importantly, the AATA, Department of Public Safety, and participating agencies have developed a strong partnership, which has been integral to the success of the Task Force. Members of the Task Force, representing 21 different agencies, have worked diligently to combat vehicle theft and related crimes throughout the State of Arizona.

The results of the Task Force's initiatives have been

substantial. For every dollar that the AATA funded in fiscal year 2003, the Task Force has recovered \$10.51 in stolen property for the citizens of Arizona. In fiscal year 2003, the Task Force recovered 2,779 stolen vehicles, with an estimated value of more than 27 million dollars. They also arrested 329 felony suspects, shut down 49 "chop shops," conducted 56 insurance fraud investigations and responded to 949 calls for assistance from other law enforcement agencies. These numbers are remarkable considering that during most of this time the Task Force was deeply involved in conducting a major criminal investigation.

Since its inception (January 1997 – June 2003) the Task Force has recovered 13,158 stolen vehicles, with an estimated value of more than 120 million dollars. Additionally, the Task Force has made 1,626 felony arrests, shut down 205 "chop shops," investigated 264 insurance fraud cases and responded to 4,542 calls for assistance. The Task Force has also provided training to more than 2,000 law enforcement personnel throughout the state and is actively involved in public awareness and community education programs.





Detective Grant Eaton, Glendale Police Department, 2002 Auto Theft Detective of the Year.



Sergeant Richard Maiocco, Officer Eric Breindl, and Officer Bob Cummins, Phoenix Police Department, Co-Recipients of 2002 Patrol Officer of the Year.



Detective Jeff Himmelstein, ADOT - Motor Vehicle Division, 2002 Special Investigator of the Year.



Detectives, Robert Butler and Travis Feyen, Arizona Vehicle Theft Task Force, Co-Recipients of 2002 Task Force Officer of the Year.



Ms. Kathy Groenewold, Tempe Police Department, 2002 Crime Prevention Specialist of the Year.



Mr. Charles Bitner, Deputy Director, Arizona Department of Transportation – Motor Vehicle Division, 2002 Outstanding Government Partnership of the Year.

## AATA Recognizes 2002 Award Recipients

**The AATA's outstanding law enforcement, government and private sector partners were honored at an awards ceremony luncheon as part of the Summit on Vehicle Theft. The award recipients have all demonstrated outstanding accomplishments and innovative approaches to combating auto theft in the State of Arizona.**

**Sheriff Ralph Ogden, Yuma County (AATA Vice-Chairman) presented the awards.**



Detective Matthew Deal, Phoenix Police Department, 2002 Outstanding Community Service.



Commander Sherry Kiyler and Chief Harold Hurt, Phoenix Police Department's Valley H.E.A.T. Project, 2002 Special Law Enforcement Project of the Year.



Mr. Andrew Luck and Bryan Corder, Allstate Insurance Company, 2002 Outstanding Private Sector Partner of the Year.



Mesa Police Department's Crime Prevention Unit, 2002 Public Awareness and Community Education Unit of the Year.



Sgts. Mikeal Allen and Mike Bannister, Tucson Police Department/Pima County Task Force, 2002 Law Enforcement Unit of the Year.



Mr. Brian Salata, Pinal County Attorney's Office, 2002 Prosecutor of the Year.

**Lieutenant James McGuffin, Department of Public Safety presented the awards.**

**The Arizona Vehicle Theft Task Force also recognized Mary Leroy, Bruce Gentillon, and Mark McGuffin of Farmers Insurance Company, along with Christi Billquist and Matt Reed of State Farm Insurance Company for their outstanding support of the Task Force's criminal investigation "Operation Wounded Jaguar."**



Mary Leroy, Farmers Insurance.



Bruce Gentillon, Farmers Insurance.



Mark McGuffin, Farmers Insurance.



Christi Billquist, State Farm Insurance.



Matt Reed, State Farm Insurance.

# Participating Agencies in the Arizona Vehicle Theft Task Force

## LAW ENFORCEMENT AGENCIES:

### Cochise County:

Arizona Department of Public Safety	1 detective
Cochise County Sheriff's Department	1 deputy

### Maricopa County

Arizona Department of Public Safety	1 lieutenant, 3 sergeants, 9 detectives
Arizona Department of Insurance	1 special agent
Arizona State University	1 detective
Chandler Police Department	1 detective
El Mirage Police Department	1 detective
Glendale Police Department	1 detective
Mesa Police Department	1 detective
National Insurance Crime Bureau	1 special agent
Phoenix Police Department	1 sergeant 2 detectives
Scottsdale Police Department	1 detective
Tempe Police Department	1 detective

### Mohave County:

Arizona Department of Public Safety	1 detective
Bullhead City Police Department	1 detective

### Pima County:

Arizona Department of Public Safety	1 sergeant, 1 detective
Marana Police Department	1 detective
National Insurance Crime Bureau	1 special agent
Pima County Sheriff's Department	1 detective
Tucson Police Department	1 sergeant, 2 detectives

### Pinal County:

Arizona Department of Public Safety	1 detective
Pinal County Sheriff's Office	1 deputy

### Santa Cruz County:

Arizona Department of Public Safety Motor Vehicle Division	1 detective 1 special investigator
Santa Cruz County Sheriff's Office	1 detective

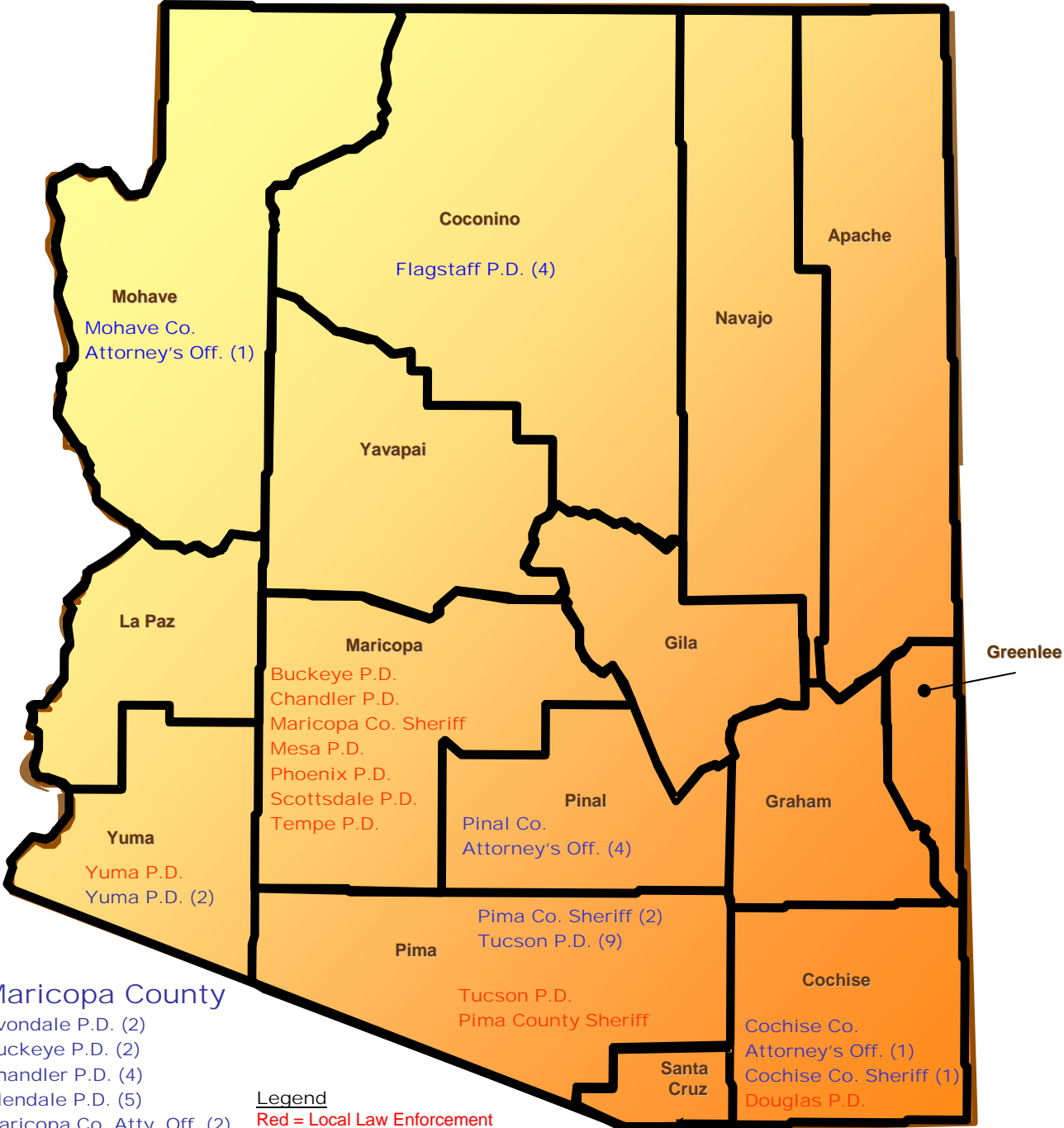
### Yavapai County:

Arizona Department of Public Safety	1 detective
Yavapai County Sheriff's Office	1 detective

### Yuma County:

Arizona Department of Public Safety	1 sergeant, 1 detective
Yuma County Sheriff's Office	1 detective

# ATA 2003 Law Enforcement & Professional Training Grant Recipients



### Maricopa County

- Avondale P.D. (2)
- Buckeye P.D. (2)
- Chandler P.D. (4)
- Glendale P.D. (5)
- Maricopa Co. Atty. Off. (2)
- Maricopa Co. S.O. (5)
- Mesa P.D. (4)
- Phoenix P.D. (8)
- Tempe P.D. (4)

Legend

Red = Local Law Enforcement Grant Recipients

Blue = Professional Training Grant Recipients

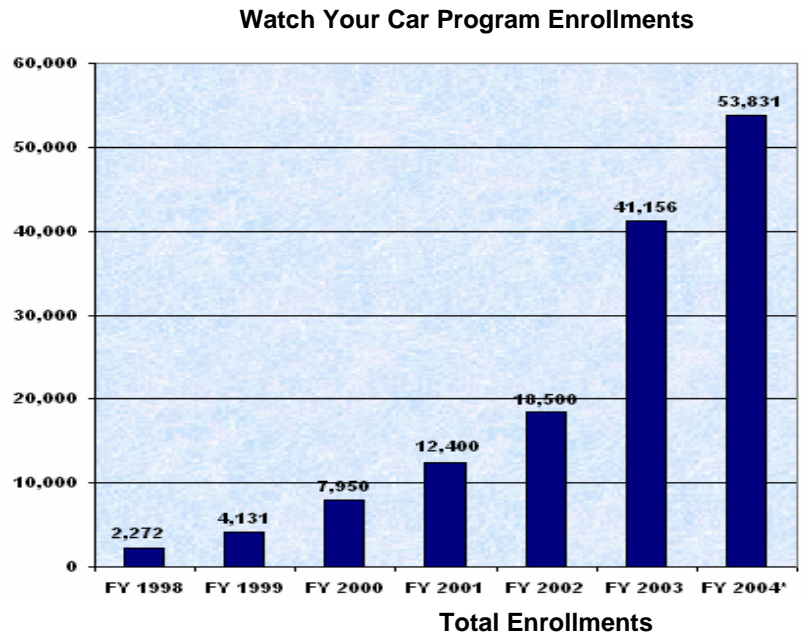
(\*) Indicates number of agency personnel funded

- Az. D.P.S. (1)
- Santa Cruz Co. Attorney's Off. (1)

# Watch Your Car



## Watch Your Car Program Enrollments 1998 - 2003



\* Through October 2003



The Motor Vehicle Theft Prevention Act of 1994 authorized the U.S. Attorney General to develop, in cooperation with the states, a national voluntary motor vehicle theft prevention program. The National Watch Your Car program is designed as a cooperative initiative between the states and the Bureau of Justice Assistance. The AATA has administered this national program in Arizona since 1998, with 75% of the program's funding provided by federal grants. The Watch Your Car program serves as the centerpiece of the AATA's vehicle theft prevention and deterrence programs, and is just one element of a "layered approach" to protection recommended by the AATA to effectively protect vehicles from being stolen.

The Watch Your Car program is a voluntary enrollment program designed to deter vehicle theft, assist in the recovery of stolen vehicles, and apprehend auto thieves. After enrolling and signing an application form, participants in the program affix Watch Your Car decals to their vehicle, which authorizes law enforcement officials to stop the vehicle between the program hours of 1:00 AM and 5:00 AM when most vehicle thefts occur, or within one mile of the international border. Enrollment forms are obtained by contacting the AATA by phone or accessing the information at events and/or via the Internet at the Agency's web site at [www.azwatchyourcar.com](http://www.azwatchyourcar.com). The Watch Your Car program is free and open to all citizens with cars registered in the State of Arizona.

To promote the Watch Your Car program and other comprehensive vehicle theft prevention tips, the AATA partners with law enforcement agencies throughout the state, participates in auto theft prevention events and safety fairs as well as homeowners association and Blockwatch meetings. Information displays are also located at every Motor Vehicle Division and AAA Arizona Travel Office statewide as well as at insurance company claims offices and apartment community rental locations. For fiscal year 2003, the AATA has over 41,156 enrollments in the Watch Your Car Program, which is a 122% increase in enrollments from fiscal year 2002. The AATA anticipates a continued increase in Watch Your Car enrollments in fiscal year 2004.

# Financial Report

## Arizona Automobile Theft Authority Fund

### Financial Report For the Year Ended June 30, 2003

The Automobile Theft Authority Fund is a special revenue fund, which was established by the Arizona Legislature and is the only operating fund of the Automobile Theft Authority. The Automobile Theft Authority does not receive any tax dollars or appropriations from the General Fund of the State of Arizona.

All revenues received by the Authority, including investment income and monetary gifts, are deposited in the Automobile Theft Authority Fund. With the exception of grant awards to the Authority, all expenditures of the Authority are appropriated by the Legislature and paid from collected monies in the Fund.

The financial statements for the fiscal year ending June 30, 2003 of the Automobile Theft Authority have been audited by the accounting firm of Christensen, Gale & McLaren, LLP, Certified Public Accountants in accordance with generally accepted accounting principles and government auditing standards. Their report gave an unqualified opinion of the Authority's financial statements and their report on compliance and internal controls stated, "we noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses."

A copy of the full audit report prepared by Christensen, Gale & McLaren may be obtained by contacting the Arizona Automobile Theft Authority.

## Revenue

The revenue of the Arizona Automobile Theft Authority is derived from a statutory semi-annual assessment of 50 cents per vehicle paid by each insurance company writing automobile liability in Arizona on motor vehicles weighing less than 26,000 gross vehicle weight (GVW).

Revenue collections from insurance assessments for the fiscal year ending June 30, 2003 were \$3,704,831, which includes prior period collections of \$3,920. Until December 2000, most insurers had been calculating the assessment based on a pro rata method known as earned car years. However, effective July 1, 1997 the Arizona Legislature changed the assessment calculation method to the actual number of vehicles insured. During the last three fiscal years the Authority worked with insurers to correct this error and collect past due assessments. As the graph indicates, the revenue correction has been completed,

however, current revenue has increased significantly. This increase is due to the assessments now being calculated on the correct basis by the insurance industry and by population growth.

All excess cash was invested with the State Treasurer and the Authority earned \$41,576 investment income in the current year. The decrease from \$85,296 resulted from lower rates of return in the current year due to market trends.

## Expenditures

Total expenditures for the current year were \$4,103,992 an increase of \$230,141 from the expenditures from the previous year of \$3,873,851. The higher expenditures result primarily from utilization of a grant from the U.S. Department of Justice and were expended in support of the Watch Your Car Program.

The Arizona Revised Statutes, A.R.S. §41-3451.H requires that "The costs of administration shall not exceed ten percent of the monies in the fund in any one year so that the greatest possible portion of the monies available to the authority is expended on combating motor vehicle theft." Accordingly, the Arizona Automobile Theft Authority tightly controls its administrative costs. Administrative expenses of the Authority are limited by statute and are not to exceed 10% of the revenue collected by the Authority. For the fiscal year ending June 30, 2003, the Authority was in compliance with this statute with "costs of administration" being 7.59%, of "the monies in the fund" as verified by the audit. In 2003, the AATA's administrative costs for the current fiscal year ended June 30, 2003 were 7.87% of total expenditures.

The Arizona Automobile Theft Authority ended the 2003 fiscal year with cash and investments with the State Treasurer of \$1,580,443.

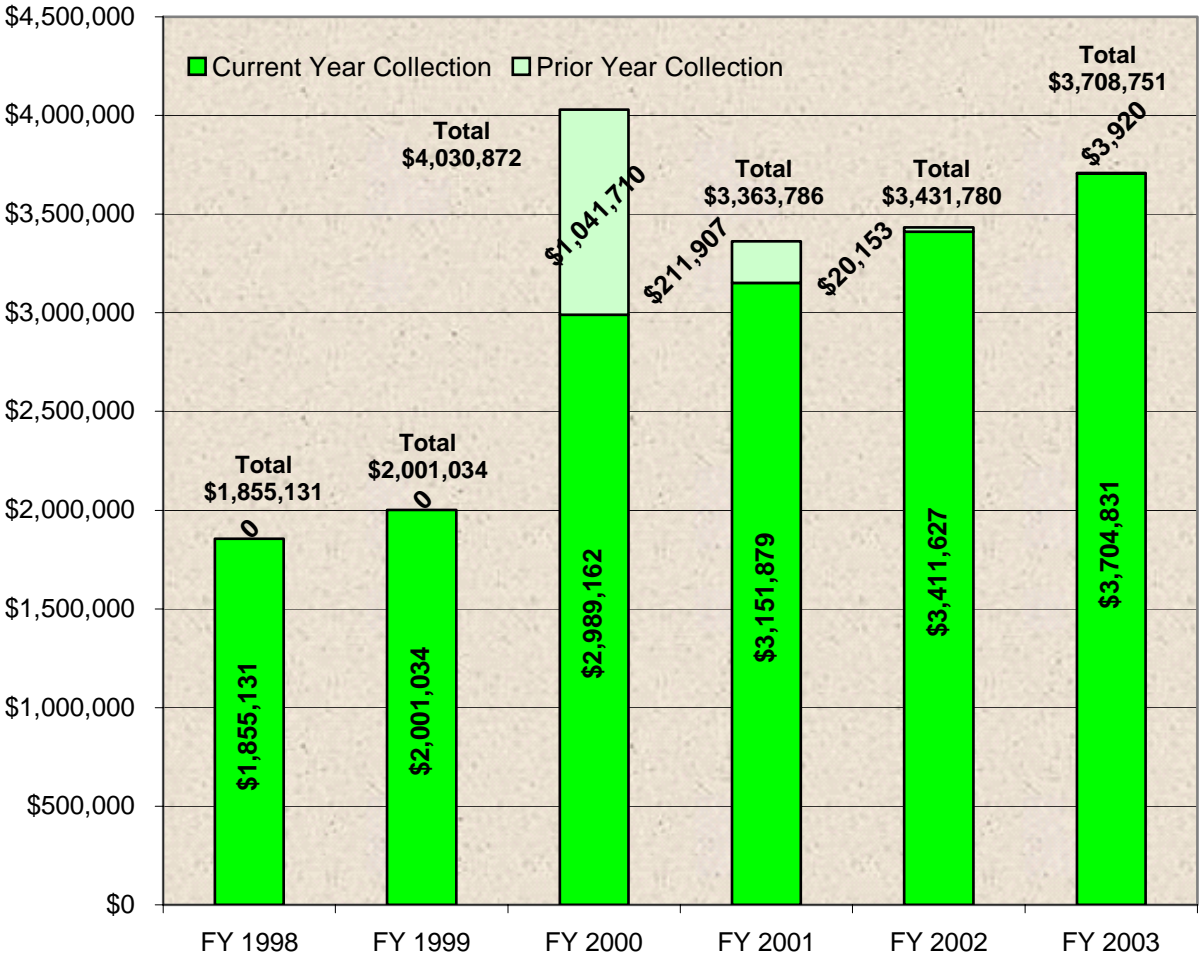
## Revenue Forecast

Revenue from the Insurance Assessment has continued to grow each year for the last three years, and will continue to do so at an annual rate of approximately 6%. The following factors will contribute to revenue growth:

- I. Increase growth in the Arizona population and corresponding growth in the number of vehicles registered and insured within the state.
- II. Efforts by staff to verify insurers of fleets are paying the required assessment.
- III. Continued review by staff to verify that companies are calculating assessment payments on actual number of vehicles insured rather than just policies or other methods.

# Financial Report continued

## Insurance Assessment Revenue



# Arizona Auto Theft Authority Fund

## Statement of Operations by Program for the Fiscal Year Ended June 30, 2003

	June 30, 2002	June 30, 2003
<b>Revenues</b>		
Current Year Collections	\$ 3,411,627	\$ 3,704,831
Prior Year Collections	20,153	3,920
Transfers	6,233	0
Investment Income	85,296	41,576
Grants	0	240,000
Other	4,664	7,001
<b>Total cash Collections</b>	<u>3,527,973</u>	<u>3,957,328</u>
Revenue Accrued at June 30th	60,995	607,813
<b>Total Revenue</b>	<u>\$ 3,588,968</u>	<u>\$ 4,565,141</u>
<b>Expenditures by Program</b>		
Administrative Costs (1,2)	220,962	311,491
Arizona Vehicle Theft Task Force	2,546,000	2,597,500
Vertical Prosecution	224,443	390,775
Public Awareness Programs	199,889	121,502
Public Awareness Grants	246,676	241,975
License Plate Reader System	200,000	49,200
Arizona BATIC Center	50,000	150,000
Law Enforcement Grants	156,343	0
Professional Training Grants	29,538	369
Special Grants	0	40,000
Watch Your Car Program (BJA Grant)	0	195,710
Auto Theft Summit	0	5,470
<b>Total Expenditures (3)</b>	<u>\$ 3,873,851</u>	<u>\$ 4,103,992</u>
Excess of revenues over expenditures	-284,883	501,149
Beginning Fund Balance (4,5)	3,370,633	3,085,750
Ending Fund Balance (4,5)	<u>\$ 3,085,750</u>	<u>\$ 3,546,899</u>
<b>Footnotes:</b>		
1. Administrative Costs as a percentage of cash collections	6.30%	7.87%
2. Administrative Costs as a percentage of total expenditures	5.70%	7.59%
3. Actual expenditures by category per audited financial statements:		
Appropriated Current Operating Expenses:		
Personal Services	\$ 152,487	\$ 243,351
Employee related expenses	29,729	55,418
Professional services	60,397	17,763
Travel-in-state	2,257	3,862
Travel - out-state	2,614	6,748
Other Operating	3,453,000	3,469,819
Aid to organizations	147,869	85,868
Non-capital equipment	23,723	22,298
Administrative Adjustments	1,775	-2,315
Total Expenditures	<u>\$ 3,873,851</u>	<u>\$ 3,902,812</u>
Non-appropriated Expenses		
Watch Your Car Program (BJA Grant)	0	195,710.00
Auto Theft Summit	0	5,470.00
Total non-appropriated expenditures	<u>\$ 0</u>	<u>\$ 201,180</u>
	<u>\$ 3,873,851</u>	<u>\$ 4,103,992</u>
4. Fund balance includes accrued income as per the audited financial statements		
5. Cash invested with the State Treasurer on June 30th	\$ 1,580,333	\$ 1,529,062
6. Report based on audited financial statements		

# Impact of Motor Vehicle Theft Prevention Programs on Vehicle Insurance Costs

In fulfillment of the statutory requirement that the Arizona Automobile Theft Authority report annually on the impact of vehicle theft prevention programs on consumer automobile insurance rates, the AATA received the following statement from the insurance industry:

According to the Arizona Insurance Information Association (AIIA),

Comprehensive coverage represents about 15 to 20 percent of the protection costs for those motorists who choose "full" coverage in Arizona. Loss protection for theft, vandalism, glass coverage, and collisions with deer, elk and other animals are included in the comprehensive portion of automobile insurance policies. The average annual cost in Arizona for comprehensive coverage is \$183.10.

Payments for injuries and vehicle repairs are the costliest insurance overages. In 2002, there were 134,228 police-reported crashes in Arizona that involved 253,177 vehicles. Arizona's vehicle crash rate is 11.4 percent higher than the national average and in over 50 percent of the

collisions, someone claimed to be injured.

Insurance rates for comprehensive protection are based on numerous factors. For example, the ongoing drought and wildfires have been attributed to the doubling of vehicle collisions with livestock, deer, and elk in the state; and the frequency of claims to repair or replace windshields in Arizona is nearly three times the national average. Those losses, coupled with vehicle thefts, are primarily the reasons why Arizonans pay about \$4 more per month for comprehensive protection.

Because of various ever-changing factors, it is difficult to establish a cause-and-effect relationship between vehicle insurance rates and the activities of the AATA. But clearly, the AATA's involvement in public education and various statewide theft-prevention programs has helped reduce vehicle thefts, as have its efforts to assist law enforcement and prosecutorial agencies. The vehicle insurance industry in Arizona strongly feels the AATA has benefited, and will continue to benefit, Arizona consumers.

## Future of the AATA

In 2004 the AATA will continue to realize success in its bold mission to address the epidemic problem of vehicle theft and the Agency is realizing remarkable support from the criminal justice community, insurance industry and the general public. The AATA's Board of Directors has committed the maximum available resources to support an aggressive anti-vehicle theft campaign during the next two fiscal years.

The AATA is currently involved in a joint-partnership with the Department of Public Safety (DPS), and the National Insurance Crime Bureau (NICB) to utilize technology to enhance border interdiction efforts. It involves two innovative initiatives; the license plate reader project (LPR) and the Border Auto Theft Information Center (BATIC). Due to the effects of 9/11, the Bureau of Customs and Border Protection has ceased installation of license plate reading digital cameras in the outbound lanes at the ports-of-entry along the southwest border. The AATA will continue its leadership role in supporting this program, which has the capability to provide valuable information and contribute to the interdiction of stolen vehicles destined to leave the United States. Additionally, the AATA is actively engaged in investigating the feasibility of mobile LPR's, which may offer enhanced interdiction capability.

Arizona is the only state that has readily embraced this

project, and the AATA is receiving enormous support from law enforcement and the insurance industry.

If fully operational, the license plate readers (LPR's) would capture the license plate of all vehicles entering and leaving the United States via the ports-of-entry. The LPR's will record the license plate, and the data will be instantaneously forwarded to the DPS in order to check ACIC and NCIC to determine if the vehicle is reported stolen. This will enable enforcement personnel to stop the vehicle before leaving the U.S.

If the vehicle cannot be stopped, the information will be forwarded to the appropriate law enforcement agency. The AATA, with the assistance of the Task Force, has been actively fostering a high level of cooperation with law enforcement officials in Mexico. The intent is to develop a means to immediately communicate law enforcement and intelligence related information between officials in Sonora and Arizona. The AATA will continue to foster and promote cooperation at both state and national levels by developing a viable partnership among the Border States, various law enforcement agencies, the Department of Homeland Security and private sector stakeholders to expedite the completion and implementation of the LPR system.

The prosecution and public awareness efforts will continue to be vital components in the AATA's efforts to combat vehicle theft in Arizona. The AATA intends to continue and expand its annual grant assistance program to local law enforcement agencies and county attorney offices statewide. The efforts of the criminal justice agencies involved with the AATA's grant programs thus far have been impressively effective at addressing the law enforcement, prosecution and public awareness and community education components of the AATA's mission.

The Phoenix Police Department provided the AATA with a unique opportunity to utilize advertising space on five billboards currently rented by the Phoenix Police Department. The Department donated the space for three months and the AATA purchased copy for the billboards. It is estimated that over 18 million exposures resulted from this project.



Phoenix Police Department / AATA Billboard at I-17 and Dunlop Road.

In 2004 the AATA will continue to sponsor VIN (Vehicle Identification Number) etching with partnering agencies throughout the state to actively promote free VIN etching on window glass as an effective visual vehicle theft deterrent and recovery aid through its Public Awareness Grant Programs.

In addition, the AATA will seek additional opportunities to promote public awareness through partnerships with businesses in the sponsorship of employee events featuring the Watch Your Car Van, criminal justice personnel and VIN etching.

In January 2003, the AATA launched a 6-month pilot partnership-mailing project with the Motor Vehicle Division. This partnership mailing entails sending vehicle theft

prevention and Watch Your Car program information in the registration renewal tag mailer to vehicle owners in Arizona. This partnership increased enrollments by approximately 22,000 over the six-month pilot project. The AATA and MVD will continue this mailing partnership during 2004, enrollments are projected to reach an excess of 80,000 by June 30, 2004. While the enrollment figures are impressive, what is even more impressive is the overwhelmingly positive response to the program by the general public in wanting to protect themselves from vehicle theft.

In fiscal year 2003, the AATA provided grant funding to five Arizona law enforcement agencies to purchase bait car systems. In fiscal year 2004, nine Arizona law enforcement agencies through Arizona were awarded grants for the bait car system. While it is too early to report statistics on this program, significant theft reduction results have been experienced in other states, and are expected in Arizona.

The AATA is currently developing youth prevention and deterrent curricula for middle school and high school students in Arizona. The middle school program will be geared toward educating students about the consequences of auto theft, specifically "at risk" youth and the high school program will focus on educating new drivers about vehicle theft prevention. The AATA will partner with school districts, law enforcement agencies and drivers education programs to distribute the youth prevention curricula.

During 2004, the AATA will continue its efforts to reduce its administrative costs and direct the maximum amount of its resources to its programs. Cost savings are being realized through utilization of bulk mailing, additional reliance on Internet resources for communication and greater utilization of our staff's talent to perform tasks once contracted out. A good example of these efforts are represented in the production of this Annual Report which was entirely written, produced and displayed on the Internet by AATA staff, at a cost-savings of nearly \$3,000.

In February 2004, the AATA will host the second annual Arizona Summit on Vehicle Theft. The 2004 Summit will explore current vehicle theft trends in Arizona, the Nation and throughout the world, deliver "best practices" presentations in the area of successful enforcement and investigation; vertical prosecution and public awareness and community education initiatives and AATA grant program workshops. A one-day training session, covering a variety of topics will be offered to law enforcement personnel. The Summit will also include an awards ceremony to recognize exceptional performance of criminal justice personnel and agencies involved in the fight against vehicle theft.

# Special Thanks

**The Arizona Automobile Theft Authority Board of Directors and Staff would like to thank the following individuals and organizations for their continued support and assistance.**

**The AATA wishes to acknowledge and thank retiring AATA Board Members, Mr. Alberto Gutier and Mr. William J. Ekstrom Jr., for their outstanding dedication and support.**

**Michael Branham**, Executive Director, Arizona Criminal Justice Commission  
**Officer Eric Breindl**, Phoenix Police Department  
**Sergeant Joe Brosius**, Tempe Police Department (President, AATIA)  
**Officer Bob Cummins**, Phoenix Police Department  
**Trina Dixon**, Bureau of Justice Assistance, U.S. Department of Justice  
**Jim Frederikson**, Executive Director, Arizona Insurance Information Association  
**Baird Greene**, Pima County Attorney's Office  
**Kathy Groenewold**, Crime Free Multi-Housing Coordinator, Tempe Police Dept.  
**Lieutenant Mark Hafkey**, Phoenix Police Department  
**Lieutenant P.J. Janik**, Prescott Valley Police Department  
**Marilyn Jarrett**, State Senator  
**Kim Kelly**, Crime Prevention Specialist, Gilbert Police Department  
**Commander Sherry Kiyler**, Phoenix Police Department  
**Barbara LaWall**, Pima County Attorney  
**Andrew Luck**, Allstate Insurance Company  
**Susan Luder**, Deputy County Attorney, Maricopa County Attorney's Office  
**Ralph Lumpkin**, National Insurance Crime Bureau  
**Sergeant Rich Maiocco**, Phoenix Police Department  
**Geri Marks**, Arizona Department of Insurance  
**Lieutenant James McGuffin**, Commander, Arizona Vehicle Theft Task Force  
**Officer Jennifer Miller**, Prescott Valley Police Department  
**Robert Carter Olson**, Pinal County Attorney  
**Vickie Owen**, Crime Prevention Specialist, Gilbert Police Department  
**Bobby Owens**, National Insurance Crime Bureau  
**Russell Pearce**, State Representative  
**Bob Robson**, State Representative  
**Brian Salata**, Deputy County Attorney, Pinal County Attorney's Office  
**Terrie Zenoff**, Assistant Attorney General

**Thank you to the states criminal justice agencies for their continued participation in the Arizona Vehicle Theft Task Force and partnership with the Arizona Automobile Theft Authority.**

**A special thank you to the National Insurance Crime Bureau (NICB) and the following insurance companies for providing vehicles for the AATA's Bait Car Program; Allstate, American Family, Country Mutual, Farmers, Geico, Hartford, Liberty Mutual, Progressive, State Farm, Titan, and USAA.**

## **Arizona Automobile Theft Authority**

1400 W. Washington Street, Suite 270  
Phoenix, AZ 85002

Tel: (602) 364-2886  
Fax: (602) 364-2897  
Toll Free 1-888-668-4433

**Website: [www.azwatchyourcar.com](http://www.azwatchyourcar.com)**



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